



Scope:

The allocation process is at the very heart of the financial reporting functions for People For People. It is imperative that costs are allocated in an equitable manner. Additionally that the appropriate contracts receiving the benefits of the costs incurred is encumbered with those costs, whether the cost is directly assigned to the contract or is an indirect cost of doing business such as accounting services. People For People's accounting system is based on Reporting Units (RUs) that either individually or in groups correspond to a program or contract/grant.

Definitions and process:

Definition of Reporting Unit (RU): A Reporting Unit is a three-digit number that ties to a specific contract or identifiable portion of a contract or contract provision. Managers are held responsible for the control of the costs in the Reporting Units they manage. The broad categories of Reporting Units are: 100's and 700's are Employment and Training, 200's are Yakima Transportation, 300's are Moses Lake Transportation, 400's are Broker and 2-1-1, 600's are WIN 2-1-1, 800's are Nutrition, and the 900's are People For People (PFP) Administration accounts. PFP uses various units of measure to compute the allocation percentage used to allocate costs to the appropriate RUs. For example, PFP's Transportation business may use units of measure such as miles or vehicle service hours whereas Employment and Training (E&T) may use actual hours work per contract, clients served or employee compensation costs.

Definition of Allocation: A method of assigning indirect or direct expenses to units of the business that are managed by individuals who are held responsible for the control of the costs in the unit(s) they manage. For example, three departments, each with a manager, housed in one building are each assigned a portion of the expense of the monthly electrical bill when the electrical bill is for one aggregate dollar amount not traceable to any particular part of the building. A method of assigning indirect expense, such as the electrical bill, might be based the square footage of space occupied by each department as a percentage of the total square footage. Units of measure used to allocate cost should be quantifiable and have a reasonable relationship to the activity costs are being allocated to. In general, the allocation process is used to allocate specific expenses, such as an administrator's salary or the purchase of a supply of motor oil to the benefiting RU's based on an allocation process that is meaningful to the RU receiving the cost and the cost being allocated to the receiving RU.

The following is a list of expenses that are grouped together by the unit of measure that is the basis of the way they are allocated to the appropriate RUs:

1) The number of participants is the basis for allocating to RUs the following costs:

E6	Ellensburg - Part - All
JEO	E&T Ellensburg O\H
JYO	E&T Yakima O\H

2) The number of vehicle service hours is the basis for allocating to RUs for the following costs:
(The drivers log is the source of vehicle service hours information)

M01	ML Admin & Office
M04	ML Dispatch/Scheduling
M06	ML MARS Drivers
Y41	Yakima Driver Supervisor
Y43	Transportation Financial Specialist
Y49	Yakima Dispatchers
Y50	Yakima Transit – Operations Manager
YT2	Yakima Transit - Drivers
YT3	Yakima Transit - Hours
YT6	Yakima & Moses Lake Transit
YT9	Yakima, Moses Lake, and NEMT

Allocation percentages established monthly for above expenses

3) The number of miles logged by driver is the basis for allocating to RUs for the following costs:
(The drivers log is the source for miles driven information)

M03	M\L-Vehicle Maintenance
M4	M\L Transportation Svc - w/ADA M6 M\L - Transportation Svc
Y41	Yakima Transportation - Maintenance

Allocation percentages established monthly for above expenses

4) The number of boardings logged by drivers is the basis for allocating to RUs for the following costs: (The drivers log is the source of the number of boardings information).

No Current Allocations.

5) The number of square feet of office is the basis for allocating to RUs for the following costs:

E1	Ellensburg Office Utilities
M1	Moses Lake Office Utilities
S1	Sunnyside Office Utilities T1 - Toppenish Office Utilities
YG1	Yakima Utilities\Janitorial-Old Building YG6 - Yakima Utilities\Janitorial-New Building

Allocation percentages established monthly for above expenses.

6) The amount of salaries and fringe benefits is the basis for allocating to RUs for the following costs:

YA3	Allocation O\H G&A
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Allocation percentages established monthly for above expenses.

7) The number employees with computers is the basis for allocating IS OH to RUs the following costs:

YA1 Allocated Computer Admin

Allocation percentages established monthly for above expenses.

8) The number of full time employees is the basis for allocating to RUs for the following costs:

E2 Ellensburg Office Supplies & Telephone
M2 Moses Lake Office Supplies & Telephone
S2 Sunnyside Office supplies & Telephone
T2 Toppenish Office supplies & Telephone
YG2 Yakima Office Supplies-Old & New Bldg.
YG5 Liability Insurance
YG8 Yakima Office Supplies-New Building
YG9 Yakima Office Supplies-Old Building

Allocation percentages established monthly for above expenses.

9) The number of actual hours worked in RUs during the prior month is the basis for allocating to RUs the following costs: (Time cards are the source of this information).

B1-B9, B01 Broker/ISB Staff
CG1-CG7 Columbia Gorge E&T Staff
E02-E09 E & T Ellensburg Staff
M01-M06 Moses Lake Transportation Staff
N1-N2 2-1-1 Staff
S02-S05 E & T Sunnyside Staff
T01-T04 E & T Toppenish Staff
Y01-Y43 Yakima Staff
Y49-Y52 Yakima Transportation Staff

Actual hours allocated on time cards.

10) The number of employees who have computers in each RU is the basis for allocating to RUs the following costs:

R5 Misc. Computer Supplies

11) The amount of salaries and fringe benefits is the basis for allocating to RUs the following costs:

No Current Allocations.

Allocation percentages established monthly for above expenses.

12) The number of events is the basis for allocating to RUs the following costs:

No Current Allocations.

13) Nutrition Expenses

F1 Based on projected meals between Congregate and Home Delivery.

14) Direct Transportation Expenses:

6190 Wages
6192 Longevity
6195 Annual Leave
6210 FICA
6230 Labor & Industries
6240 Insurance
6250 Retirement
6932 Yakima Utilities

These line items are allocated monthly within RUs in Yakima and Moses Lake relative to transportation services. The allocation percentages are based on vehicle service hours reported on drivers log.

6350 Vehicle Insurance
7510 Gas & Oil 7520 - Uniforms
7530 Radio Communications 7540 - Repairs & Maintenance
7541 Waste Oil Disposal 7542 - Parts and Materials
7543 Shop Supplies
7544 Small Hand Tools
7545 Shop Equipment
7546 Towing
7547 Outside Repairs
7548 Tires
8810 Depreciation

These line items are allocated monthly within RUs in Yakima and Moses Lake relative to transportation services. The allocation percentages are based on miles reported on drivers log.